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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

Before The Honorable James Donato, Judge

EMMANUEL CORNET, et al.,

Plaintiffs,

VS. NO. C 22-06857-JD

TWITTER, INC.,

Defendant.

San Francisco, California Thursday, December 8, 2022

TRANSCRIPT OF PROCEEDINGS

APPEARANCES:

For Plaintiffs:

LICHTEN & LISS-RIORDAN PC

729 Boylston Street - Suite 2000

Boston, Massachusetts 02116

BY: SHANNON LISS-RIORDAN, ATTORNEY AT LAW

For Defendant:

MORGAN, LEWIS & BOCKIUS LLP

One Market - Spear Street Tower San Francisco, California 94105

BY: ERIC MECKLEY, ATTORNEY AT LAW

Reported By: Ruth Levine Ekhaus, RMR, RDR, FCRR

Official Reporter, CSR No. 12219

Thursday - December 8, 2022 1 1:35 p.m. 2 PROCEEDINGS ---000---3 All rise. This Court is now in session. THE CLERK: 4 5 The Honorable James Donato presiding. THE COURT: Good afternoon. 6 MR. MECKLEY: Good afternoon, Your Honor. 7 MS. LISS-RIORDAN: Good afternoon. 8 THE COURT: A little lackluster. Must be lunch. 9 THE CLERK: Please be seated. 10 11 Calling Civil 22-6857, Cornet versus Twitter, Inc. Counsel? 12 MS. LISS-RIORDAN: Good afternoon, Your Honor. 13 the plaintiffs, I'm Shannon Liss-Riordan. 14 15 MR. MECKLEY: Good afternoon, Your Honor. 16 Meckley appearing on behalf of defendant. 17 THE COURT: Okay. All right. So let me just make sure I understand where we are. Everything has been put on ice 18 19 pending our discussion here today; is that right? 20 MR. MECKLEY: That's correct, Your Honor. THE COURT: Okay. Now, Mr. Meckley, I mean, just --21 22 I'm happy to hear -- I have all your papers; spent a lot of time with them. I'm happy to hear anything you'd like to add 23 to them. 24 I have a couple of questions here, Mr. Meckley and 25

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So what is the -- what's the plan for the severance
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     Twitter.
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     agreements and the waivers?
              MR. MECKLEY: The plan, Your Honor, is to provide
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     severance packages to all employees who were let go or will be
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     let go as part of this reduction in force that occurred as well
     as for employees who weren't part of the initial reduction in
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 7
     force but who chose not to continue working for Twitter by not
     clicking the "yes" button.
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 9
          That group, Twitter intends to send them severance
    packages with a release in it.
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              THE COURT: Okay. Now, is the severance calculated
     for each person individually, or is there just a standard
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13
    package?
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              MR. MECKLEY: It would be one month of their base pay
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     in that severance package, Your Honor.
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              THE COURT:
                          Okay. So each person will get one month
17
     of base pay?
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              MR. MECKLEY: Correct.
              THE COURT: And then -- what does the waiver say?
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          Do you have a copy of it here, by the way? Is that --
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              MR. MECKLEY: Your Honor, I don't have a copy of it;
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22
     obviously, it's not been sent. But the waiver and release
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     would be a general release of claims, Civil Code 1542,
     California, and applicable other state general release
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    provisions.
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Okay. So this lawsuit was filed, was it
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              THE COURT:
     early November?
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              MS. LISS-RIORDAN: Late the night of November 3rd,
 3
     early November 4th.
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 5
              THE COURT:
                         Okay. So first couple of days of
    November. When did Twitter have the severance and waiver idea
 6
     in place?
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              MR. MECKLEY: Before November 3rd, because it notified
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    people on November 4th.
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          So this process was in plan well before the lawsuit was
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     filed. And the notice of people being let go was November 4th,
     which is less than 24 hours after this lawsuit was filed.
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              THE COURT: So this was underway before you got wind
     of the lawsuit?
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              MR. MECKLEY: That's correct.
              THE COURT: All right. Now, let me just shift to
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17
    plaintiff's side.
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          Ms. Liss-Riordan, what does it -- I'm not making this
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     decision now; you understand that. But if you were to get your
20
     way, what is it you would like Twitter to say?
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              MS. LISS-RIORDAN:
                                 So --
              THE COURT: I mean, just specifically what would you
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23
     like them to say?
              MS. LISS-RIORDAN: Yes.
                                       So I've conferred, actually,
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     with Twitter's counsel before this, and we talked about what a
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proposed notice would look like should the Court grant our motion. And I forwarded a proposed notice. Twitter, apparently, has its own proposed notice because it doesn't agree with my notice; and I've asked for a copy of it, but they haven't shared that with me.

THE COURT: Can I just jump in?

Do you have both of those with you right here?

MS. LISS-RIORDAN: I don't have it with me, but I could get it to the Court quickly.

THE COURT: Well, that's okay. Just tell me, as closely as you can -- let's hear the version -- plaintiffs' version and defendant's version.

MS. LISS-RIORDAN: So plaintiffs' version lays out -it looks like a notice that courts issue when courts issue a
notice in cases. So it has the caption. It explains that a
class action has been filed alleging the following claims. It
describes briefly what those claims are.

It informs employees that these claims have been filed on their behalf, and that I -- I don't have the exact language in front of me, but essentially that they have a choice to make, and they should be aware of these claims that have been filed on their behalf before signing any release of their claims.

THE COURT: All right. So there won't be any suggestions of along the lines just conceptually there won't be any wording to the effect of, you know "Don't sign this because

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you may get more in a settlement in court, " or "you're giving
away valuable rights that may be worth money"?
     Nothing like that?
         MS. LISS-RIORDAN: Well, you can see it, Your Honor.
It looks like the type of notice that a Court would authorize
when courts authorize notice. And it simply says -- it says
language to the effect of "The Court has not ruled on the
merits of the claims."
         THE COURT: Okay.
         MS. LISS-RIORDAN: It's written in -- in a court -- in
the voice of a court-approved notice.
         THE COURT: Fine imitation of the district court?
                                                            Ι
get it.
         Okay.
         MS. LISS-RIORDAN:
                            Yes.
         THE COURT: What does Twitter -- what have you
proposed to say? I'm not saying you agree; I understand that.
But if you had to, what would you propose to say?
         MR. MECKLEY: Right, Your Honor. And, obviously, we
don't agree that any notice is appropriate.
     The proposed notice that plaintiffs' counsel sent over,
I believe, was three, maybe four pages. Very long.
         THE COURT: Is that -- is it really?
     Is that right Ms. Liss-Riordan, is it more than one page?
         MS. LISS-RIORDAN: Well, it could be condensed.
has a caption. It looks like, essentially, similar to what you
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see when 216(b) FLSA notices issue. This isn't, obviously, a
216(b) case. But I believe it concisely describes the claims
and provides information about the claims. I don't think it's
overly long. I would be happy to negotiate with Twitter's
counsel that --
THE COURT: All right. I interrupted. But go ahead,
yes.
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MR. MECKLEY: And, Your Honor, that's -- I mean, granted, we're not at the stage of agreeing to anything. But this did look like the notice that goes out when a class is certified, when a class is settled. It seemed very inappropriate in its length. It seemed inappropriate in its content.

I can tell you that any time that I've done this in a different type of situation -- which it doesn't exist here -- it is the smallest reference: Name of the case; claims that are alleged based off the pleading, in a very rudimentary fashion; no description of the merits of those claims; a statement that the defendant denies the claims; and then that the Court has made no ruling on it whatsoever and you can't interpret from this anything regarding it. And it's very, very concise and to the point.

THE COURT: Okay. So that would be -- should the day come when Twitter is required to do that, if it comes, that would be the kind of notice, half a page, maybe something like

that? 1 MR. MECKLEY: If that is what the Court orders --2 THE COURT: I mean, they're only two claims, so 3 there -- it can't be -- there are two claims in the case. 4 5 There's a federal WARN Act and a California WARN Act -- I guess breach of contract. 6 7 MS. LISS-RIORDAN: Promissory estoppel. THE COURT: You should be able to put those in 8 single-spaced lines. It shouldn't be more than an inch, I 9 10 would imagine. And, you know, as Mr. Meckley said, obviously 11 it would be something to the effect of, you know, the suit was filed on X date; nothing has happened in court on the merits. 12 And, you know, I -- if we did something, I would imagine --13 we're just talking among friends here -- okay? -- out loud. 14 Ι 15 haven't made a decision yet; we're going to get to that in 16 moment, but something along the line of "You may wish to 17 consult with somebody." I mean, that's not an atypical thing to say before you sign the release. 18 Let me just ask you, Mr. Meckley, I mean, why -- why not 19 just do it? I mean, what is Twitter so reluctant to do? 20 What harm -- I mean, just what harm is there in just 21 telling people: Hey, here is your package. By the way, you 22 23 probably have heard in the news -- because it has gotten a lot of publicity -- there's this lawsuit, and we just wanted you to 24

be aware of it.

I mean, that might make your waivers and severance packages a little more enforceable.

MR. MECKLEY: Well, Your Honor, I think there are a number of very real and valid procedural reasons why that's not appropriate given the posture of this case at this time, which is that each one of these named plaintiffs has an arbitration agreement. And as you've read, I'm sure, our position is there's really no standing, no procedural platform upon which to invoke Rule 23 and give notice to people when the plaintiffs themselves have no standing. And, again, it presumes that the Court would enforce the motion to compel, but shouldn't be in this case.

So it really sort of --

THE COURT: Let me just jump in.

That's the lawyer's reasons. I'm just talking about pragmatic, practical reasons. Why wouldn't the company just dot every T -- I mean dot every I and cross every T, and just say: Hey, by the way, I'm sure you've heard, but there's this lawsuit. We just want to make sure you know it's out there.

What's wrong with doing that?

MR. MECKLEY: And I don't know that I would agree in the characterization of that as, you know, the lawyer's version. I think that's what the company feels strongly about. And, in part, it's because of its belief in its arbitration program, and there's a reality to that.

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This has no impact on that. THE COURT: There's no judge in any court would ever hold this kind of notice against That has zero impact on the enforceability of an arbitration agreement. There's nothing to fear. What is the fear? There's nothing to fear. MR. MECKLEY: Well, Your Honor, I think one of the issues that we're confronted with is the fact that the vast or overwhelming -- pick an adjective -- majority of people who were subject to this RIF action have arbitration agreements. So in a sense, it is really misleading to those people to be given a notice about some class action that they can't participate in, and might lead them to either make decisions regarding accepting the severance or not that are negatively for them --Let me jump in. That's up to them. THE COURT: Ι mean, that's -- I hate -- hesitate to use the word "paternalistic," but that's up to your -- look, we're talking about Twitter. These are -- these are Silicon Valley employees, and that comes with, you know, all the baggage you might think it comes with. So I'm not -- this is not a situation of, you know, undocumented workers in a meat-processing plant who don't speak English and may have some other transactional barriers to really understanding what's happening. This is a different set of people. And I just don't see the harm in saying to Twitter

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employees "You can sign now and get your severance.
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whatever you want, but just be aware of the fact that this
lawsuit was filed." That's all it would say.
     It wouldn't say anything more than a lawsuit has been
filed.
       It wouldn't say class action, because right now it's
not. It's a putative class action. No class has been
certified.
     You know, I just -- I'm just not hearing -- and maybe
there -- maybe we've gone around the tree enough on this. But
just as a practical matter, it's not impossible that someone
would sign a waiver and release of claims and then say later:
Well, I had no idea that this litigation was going on, and I
feel like I was misled into giving away these claims.
    And then there's an issue now about the enforceability of
that, all of which would go away if you just told them up front
"There's a lawsuit," period.
     I mean, that's literally what the notice would say:
                                                          There
is a lawsuit.
     Period.
         MR. MECKLEY: Well, obviously, the devil is in the
details with regard to that, and what is specifically said.
                                                             So
I think that's a very big component of this.
         THE COURT: Well, what if it just said "There is a
lawsuit"?
     We're not going to do a four-page document, that's for
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I mean, even if -- and I really want to emphasize, I'm
     sure.
    not deciding anything. We're just talking here. I'd like to
     explore where everybody is. You know, it's going to be -- it's
     going to be a one-pager at the most.
          So could you live with that? Could Twitter live with
     that? "There's a lawsuit. Here is the name. Here is the
           Here is the lawyer if you want to contact her."
     case.
              MR. MECKLEY: I don't think -- I think, Twitter has
     opposed this request, and we stick by our opposition to this
     request. Obviously, the Court is, you know, here to adjudicate
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     this issue and make a ruling --
              THE COURT: Mr. Meckley, I know you've opposed it.
     That's why we're here. I'm asking you to talk to me.
         Why? Why is this so unpalatable?
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             MR. MECKLEY: I believe it's for the reasons I just
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16
     explained.
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              THE COURT: You just believe in arbitration so
     strongly you can't even stomach the idea of telling people
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     there's a lawsuit.
              MR. MECKLEY: Well, I believe in sort of the
     procedural posture, and the fact that having sort of a headless
     case is not the platform by which to give people this type of
    notice.
23
              THE COURT: The case has not been adjudicated as
    headless.
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It's a sequencing issue, certainly. 1 MR. MECKLEY: I believe that, you know, the vast majority of the cases will 2 say that arbitration is a threshold issue when you get to these 3 type of questions, and that's really the appropriate initial 4 5 question to decide. And, therefore, that's why we had asked to expedite the 6 hearing on our motion to compel. I understand the Court didn't 7 want to do that, but still --8 THE COURT: We're not going to rush here. We're going 9 to do this in due course. 10 11 Let me get back to the plaintiffs and Ms. Liss-Riordan. So I have had 23(d) notice issues come up; they're very 12 rare. One other case that I had was in a very different 13 circumstance where some affirmative misrepresentations were 14 15 being made about the litigation by someone who was involved in 16 the case that, were they to be believed, would have had 17 negative impacts on class members. 18 I just -- I don't -- I don't see that here. I mean, 19 Twitter had this severance and release program -- at least in 20 the hopper, maybe not publicly announced, but at least in the 21 hopper before you filed the lawsuit. It was announced immediately after -- you know, coincidence or not, but it came 22 23 out immediately after. I didn't see anything in the papers indicating that 24

Twitter did anything untoward; in other words, I didn't see any

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indication or evidence that this severance and release program was designed to thwart the litigation or undercut the putative class or do anything else that's nefarious. Do you? MS. LISS-RIORDAN: No. So, Your Honor, I mean, it's not required that the defendant's action be in response to an already filed lawsuit. But the case law is such that once a lawsuit has been filed, then the putative class have the right to the notice of its existence. So the case that's the most on point with the facts, practically identical facts, is the Lynch versus Tesla case. THE COURT: I have to say, I just did not find the magistrate judge's decision to be that compelling. I just didn't. And, as you know, procedurally, it didn't go anywhere; the district court stayed it. So I know that's your best shot and I read it, but it's just -- I'm not really sold that -look --MS. LISS-RIORDAN: Another case --THE COURT: In addition to Rule 23 -- yes, you can finish in a minute -- you know, there are concerns about restricting speech or compelling speech. And you just don't do that at the drop of a hat. Go ahead. MS. LISS-RIORDAN: Sure. The other case that we've

also highlighted in our papers was in this courthouse by 1 Judge Chen at the beginning of the O'Connor versus Uber 2 litigation. We had a similar situation where Uber was in the 3 process of distributing new arbitration agreements. And we 4 5 filed a lawsuit while those arbitration agreements were being distributed. 6 7 So the arbitration agreements were not a response to the filing of the complaint. But we raised a very early Rule 23(d) 8 motion, and Judge Chen granted it, and agreed that once the 9 case had been filed, there was a duty of the Court to consider 10 11 whether or not putative class members were being asked to sign something or agree to something that might implicate their 12 rights in that case. So he did enter Rule 23(d) relief. 13 The problem I have with that is -- leaving 14 THE COURT: 15 aside the reasoning -- which I'm not sure I necessarily embrace -- it got reversed on appeal. 16 17 MS. LISS-RIORDAN: No. What was we reversed on appeal was a decision that Judge Chen made years later -- years later, 18 19 holding that the arbitration agreement wasn't enforceable. 20 That's what got reversed. Nothing in the Ninth Circuit 21 decision undermined his initial ruling that a Rule 23(d) protective order was appropriate that -- that decision has not 22 23 begun undermined in any way. THE COURT: Can I read something for you from the 24

Ninth Circuit decision?

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              MS. LISS-RIORDAN:
                                 Yes.
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              THE COURT:
                          (as read):
               "Reversing these class certification orders also
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          leads us to set aside the Rule 23(d) orders."
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 5
          They were set aside by the circuit.
              MS. LISS-RIORDAN: I'm sorry, Your Honor.
                                                          It's been a
 6
     while --
 7
                          I was just reading that from -- yeah.
 8
              THE COURT:
              MS. LISS-RIORDAN:
                                 I mean, right --
 9
                          Just so we're clear, this is O'Connor v.
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              THE COURT:
11
     Uber, 904 F.3d 1087, and the pin cite is page 1095.
          The 23(d) orders were definitely reversed on appeal.
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13
              MS. LISS-RIORDAN:
                                 Okay. I apologize for that.
     did -- that slipped my mind that they did that.
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          If I can just say, though --
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              THE COURT: Your name is on the caption.
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              MS. LISS-RIORDAN: Yes, it was my case, I know.
          We've put in a number of cases in which courts have
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19
     granted Rule 23(d) relief. And I think the import behind it --
     again, it's not a question about whether or not the employer
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     set out to do something to try to undermine pending litigation.
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     The issue was whether or not, if there's a case that is
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     establishing making a claim for certain rights, then putative
     class members have the right to know about that.
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          And if you think about it, if the rule were otherwise, if
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the rule were what Twitter is asking for, that would allow -that would mean that you could only bring such a challenge if
the -- you know, depending on the timing -- in other words, we
would have had to file the case before Twitter even thought
about sending these out, which, obviously, if we did that, they
would have said we had jumped the gun. They're already saying
we jumped the gun.

So it would just -- it would not serve the interests of
justice to set it up so that employers are allowed to very

justice to set it up so that employers are allowed to very quickly do something that violates the law, but then quickly, and before anyone knows what's happening, get releases from the affected employees so they can't do anything about it.

THE COURT: Let me ask you this, though: You would agree that this has been -- your lawsuit has been very widely publicized. I mean, I've seen it everywhere; national publications, local, Silicon Valley publications, online, old-school print. I mean, it's been everywhere.

Do you really think anybody at Twitter doesn't know about it?

MS. LISS-RIORDAN: Well, actually, Your Honor, we're fielding inquiries every day from Twitter employees. And despite what you would think from what you see from all the press, people are really confused; don't understand that there have been claims already filed; don't understand what they say.

Just because there are third-party reports out there about

it, that's not getting the specific information to these putative class members that would be required under this case law that a Rule 23(d) protective order would provide.

And, again, I agree with Your Honor. It could be very short. Doesn't need to be -- just the way we did the spacing is why it came out to several pages. But we could very concisely have the employees be aware this case has been filed -- just what you said. Just state what the claims are; state they can contact the lawyer if they've got any questions. They should just be aware of this.

THE COURT: Okay. I want to also talk about amendment of the complaint, but any closing comments on the notice issue?

MR. MECKLEY: Yes, Your Honor.

One other consideration to think about -- and this is direct from language of Rule 23(d). It allows the Court -- it says the Court may issue orders requiring -- giving appropriate notice to "some or all class members."

And I would just make this point to the extent the Court is considering requiring any form of notice, that language "some or all" bears importance here because, again, my point about the arbitration agreements, the Court might issue an order saying that notice is required in severance agreements to people who opted out of the arbitration agreement, not to those people who are bound by the arbitration agreement. So just realizing it doesn't have to be a broad, you know,

one-size-fits-all approach. 1 2 THE COURT: Okay. MS. LISS-RIORDAN: And, Your Honor if I could just 3 respond very briefly. 4 5 We did cite a number of cases in our papers regarding FLSA 216(b) notice. Obviously, Twitter focuses on the Hughes case, 6 which is an outlier in which Judge Beeler did not allow such 7 notice because of the arbitration agreements. But there's a 8 wealth of authority in which 216(b) notice has been 9 10 disseminated even when class members or putative class members 11 had arbitration agreements. And I would say that the request here is -- has stronger 12 basis than a request for 216(b) notice that would allow 13 employees to affirmatively join a case. We're not even asking 14 15 for that because, obviously, this isn't an opt-in case. 16 simply asking for employees not to unknowingly waive their 17 rights without realizing that these specific claims have been filed on their behalf. 18 So those cases that have allowed 216(b) notice, even to 19 20 putative class members who signed arbitration agreements, our 21 case should be on better footing than that. And also I'll point out, of course, we have opposed 22 23 Twitter's motion to compel arbitration. The Court will hear that in January. 24 25 There is case law saying that the Court has the right -- a

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wealth of case law we've cited that the Court has a right to
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    make preliminary rulings prior to considering arbitration.
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          In this case, we have opposed, in good faith, this
 3
     arbitration agreement. We don't know what the Court is going
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 5
     to do about that. And also, as I expect we're about to
     discuss, we have moved to amend the complaint to add several
 6
    plaintiffs who opted out of arbitration.
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              THE COURT: Let me ask you about that.
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          Do you have any sense of how many -- roughly, not tying
 9
     your hands in any way -- how many Twitter employees opted out?
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              MS. LISS-RIORDAN: I don't know exactly. But I have
    heard from a number of them, so there are a number. I think
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     it's a very small percentage overall -- I couldn't hazard a
13
     quess as to how many -- but it's going to be a very, very small
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15
     number, relatively speaking. But there are -- there are some
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     who did.
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              THE COURT: All you're proposing to do is just amend
     with new plaintiffs; right?
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              MS. LISS-RIORDAN:
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                                 Correct.
                         Okay. What's wrong with that,
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              THE COURT:
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    Mr. Meckley?
                            Oh.
                                 As we said in the opposition we
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              MR. MECKLEY:
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     filed last night, Your Honor, much is wrong with that.
          In terms of the --
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              THE COURT: Okay. But I know you think people did
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Okay.
                 The motion to amend is granted.
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          When do you -- did you already file one and it is just a
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     matter of putting it on the docket?
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              MS. LISS-RIORDAN: Your Honor, it is attached to the
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 5
    motion.
              THE COURT: Just file that within the next day or so
 6
     as a, you know, freestanding ECF docket entry.
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              MS. LISS-RIORDAN:
                                Thank you.
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              THE COURT: Okay. And, Mr. Meckley, I want you to
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     just, you know, continue to stay on hold. I'll have an order
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     out on the notice early next week, but just don't do anything
    before that. Okay?
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              MR. MECKLEY: Correct.
              THE COURT: All right.
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          Okay. Anything else for today, Plaintiffs?
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              MS. LISS-RIORDAN: Not from plaintiffs, thank you.
              THE COURT: Defendants?
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              MR. MECKLEY: Not from the defendant, Your Honor.
18
              THE COURT: Thanks so much for coming in.
19
     appreciate it.
20
                            Thank you.
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              MR. MECKLEY:
              THE CLERK: All rise. Court is in recess.
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                  (Proceedings adjourned at 2:01 p.m.)
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CERTIFICATE OF REPORTER I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. DATE: Friday, January 20, 2023 Kuth home to Ruth Levine Ekhaus, RMR, RDR, FCRR, CSR No. 12219 Official Reporter, U.S. District Court